

VISION CAPITAL ADVISORS, LLC
VISION OPPORTUNITY MASTER FUND, LTD.

CONFIDENTIAL

Marketing Worldwide Corporation

Term Sheet

January 2007

Neither this Term Sheet nor any discussion or negotiation of the proposed transaction constitutes an agreement or obligation on the part of Vision Opportunity Capital Management ("VOCM") or any of its affiliates to purchase securities of the Company or enter into any agreement to purchase securities of the Company. Any such obligation shall arise solely upon execution of definitive documents acceptable to VOCM. Any financing shall be conditioned upon satisfactory completion of documentation, due diligence and approval by the Investment Management Board of VOCM.

Issuer:	Marketing Worldwide Corporation (the "Company") 2212 Grand Commerce Drive Howell, Michigan 48855 United States Phone: 517.540.0045 Fax: 517.540.0923
Securities Offered:	Company will issue \$3,500,000 worth of Series A Convertible Preferred Stock ("Series A Preferred") and offer this stock to VOCM and the Investors. The Series A Preferred will be senior to all future and past equity issues by the Company and shall be secured to all of the assets of the Company. Convertibility. The Series A Preferred will be convertible at the Investor's option into shares of company stock at the Conversion Price. Collateral. The Series A Preferred has a second lien against the Issuer's assets subordinated to the existing bank loan and any expansion thereof.
Use of Proceeds:	For working capital and acquisition of a paint shop operation.
Investors:	Vision Opportunity Master Fund, Ltd. ("VOMF") (and Qualified Institutional Buyers) and Accredited Investors (to be known collectively as the "Investors")
Conversion Price:	\$0.65 per common share
Dividends:	The holders of the Series A Preferred shall be entitled to receive a cumulative dividend in preference to any dividend on the common stock at the rate of 0% per annum. Dividend shall be payable quarterly in U.S. Dollars or common stock at the option of the company.

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Warrants:	<p>Warrants: Five (5) year detachable warrants for the purchase of equity interest of The Company. Details are as follows:</p> <table><tr><th>Warrant</th><th>Coverage</th><th>Exercise Price</th><th>Redemption</th></tr><tr><td>Class A</td><td>50%</td><td>\$0.90</td><td>\$3.00</td></tr><tr><td>Class B</td><td>50%</td><td>\$1.25</td><td>\$4.75</td></tr><tr><td>Class C</td><td>50%</td><td>\$1.60</td><td>\$6.00</td></tr></table>	Warrant	Coverage	Exercise Price	Redemption	Class A	50%	\$0.90	\$3.00	Class B	50%	\$1.25	\$4.75	Class C	50%	\$1.60	\$6.00
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Class A	50%	\$0.90	\$3.00														
Class B	50%	\$1.25	\$4.75														
Class C	50%	\$1.60	\$6.00														
Cashless Exercise:	Commencing one year after the Closing, the Warrants will be exercisable on a cashless basis, unless a registration statement covering the securities is in effect.																
Closing:	Approximately February 16, 2007 (the "Closing")																
Additional Investment Option:	VOMF shall have the exclusive right, but not the obligation, to make an additional investment up to a maximum of 100% of its initial investment for a period of fourteen (14) months after the Closing on the same terms.																
Registration Rights:	<p>The Company shall file a registration statement on form SB-2 (or any other applicable form exclusively for this offering) within thirty (30) days after the Closing and have it declared effective within one hundred and twenty (120) days after the Closing to register 100% of the underlying common stock for the securities purchased and all shares issuable upon exercise of all Warrants. In the event of a full review of the Registration Statement by the SEC, the required effective date will be extended by thirty (30) days.</p> <p>If the registration statement is not filed on time or effective on the sooner of (i) within three (3) days after the Commission states that there will be no review or that the Commission has no further comments, or (ii) upon the occurrence of other registration default related matters, the Company shall pay liquidated damages of 2% of the Financing Amount per each (thirty) 30 day period or part thereof for any registration default, but shall not exceed 15%. Such damages shall be paid in cash.</p> <p>The securities into which the Series A Preferred may be converted ("Conversion Shares") will have demand registration rights.</p>																
Anti-dilution:	The Investors shall be extended full-ratchet price protection on the Series A Preferred and Warrants for a period of two (2) years from closing. For a period of three (3) years thereafter the Investors shall be extended standard weighted average price protection on the Series A Preferred and Warrants.																

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Right of First Refusal:	The Investors shall have a right of first refusal on any subsequent placements of debt or equity until three (3) years after the Closing.
Conditions to Close:	<ol style="list-style-type: none"> 1) Execution of the definitive documentation acceptable to VOMF; 2) Satisfactory completion of due diligence by VOMF; and 3) Approval by the Investment Management Board of VOMF. <p>At Closing, the Company shall deliver to VOMF:</p> <ol style="list-style-type: none"> 1) Definitive documentation duly executed by the Company; 2) Legal opinions (if necessary) of Company counsel, in the form acceptable to VOMF; 3) Certificates for securities registered in the name of Vision Opportunity Master Fund, Ltd. in the correct amount; and 4) Certificate signed by the Chief Executive Officer of the Company stating that other closing conditions, as set forth in the definitive documentation, have been fulfilled as of the Closing. 5) Certificate signed by the Chief Executive Officer of the Company stating that other closing conditions, as set forth in the definitive documentation, have been fulfilled as of the Closing.
Lock-up Agreement:	<p>Management (and their affiliates) and certain majority shareholders shall agree not to sell any securities of the Company owned by them, affiliates or anyone else they have influence over, with the exception of instances pre-approved by VOMF, until twelve (12) months after the registration associated with the private placement is declared effective. ("Lock-up Period")</p> <p>Leakout. Following the Lock-up Period, management (and their affiliates) and majority shareholders shall agree not to sell more than 1/12 of their initial holdings per month of the Company's common stock owned by them, affiliates or anyone else they have influence over while the Lock-up agreement is in effect.</p>

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Break-Up Fee:	VOCM will be entitled to a fee in the amount of \$10,000 in the event that (i) the Company accepts or approves any proposal that provides equity or debt financing for the Company while this Term Sheet is in effect (any such proposal, an "Alternative Transaction"), or (ii) the Company fails to meet any requirement to close. No Break-Up Fee will be owed if the Investor terminates the transaction for any reason other than as a result of (i) Company willfully fails to comply with the conditions to Closing for the purposes of delaying or precluding the closing of the transaction or (ii) such termination results from a failure to adhere to the Closing date. In the event the company enters into an Alternative Transaction, the break-up fee shall be due and payable immediately.
8-K Filing:	Company shall file an 8-K within one (1) business day from Closing.
Additional Terms:	Subject to such customary additional terms not inconsistent with the above as agreed between the parties.
Restrictions on Exercise of Warrants and Conversion of Note:	Investors shall neither convert the Series A Preferred nor exercise the Warrants to the extent that such Investor's beneficial ownership, as defined in Rule 13d-3 under the Exchange Act, of Common Stock exceeds 9.99% of the Common Stock outstanding.
Expenses:	The Company shall pay VOCM \$20,000 to cover due diligence costs. \$10,000 shall be paid upon signing of this term sheet. \$10,000 shall be paid at the Closing. The Company shall pay Investor's reasonable legal fees, of which \$10,000 shall be at commencement of the drafting of definitive documentation, and \$25,000 shall be paid at the Closing. Any unpaid fees or costs will be paid out of escrow prior to funds being released to the Company.

Accepted and agreed this 30th day of the January, 2007

Marketing Worldwide Corporation:

Agreed: [Signature] Date: 01/30/2007Name: MICHAEL W. NEWARK Title: CEO / PRESIDENT

Vision Opportunity Master Fund, Ltd.:

Agreed: [Signature] Date: 01/30/2007
Adam Benowitz
Portfolio Manager

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